

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1993**

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**SENATE BILL 394**

Short Title: GPAC/UNC Tuition Issues.

(Public)

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Sponsors: Senator Martin of Guilford.

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Referred to: Government Performance Audit.

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February 24, 1993

A BILL TO BE ENTITLED

1 AN ACT TO IMPLEMENT A RECOMMENDATION OF THE GOVERNMENT  
2 PERFORMANCE AUDIT COMMITTEE REGARDING TUITION AND  
3 TUITION POLICY OF THE UNIVERSITY OF NORTH CAROLINA.  
4

5 The General Assembly of North Carolina enacts:

6 Section 1. The General Assembly finds that the tuition policy at The  
7 University of North Carolina, both for undergraduates and graduates, and both for  
8 residents and nonresidents, needs to be reexamined in order to reflect better the  
9 constitutional mandate to provide higher education free of expense "as far as  
10 practicable" by reevaluating the relationship of tuition to cost and by determining what  
11 costs must be made up of tuition charged in order to ensure that all eligible North  
12 Carolinians are indeed guaranteed a public higher education at the lowest possible cost  
13 while maintaining a public higher education system that is worthy of the support of all  
14 North Carolinians.

15 Sec. 2. (a) The General Assembly finds that undergraduate resident students  
16 of The University of North Carolina should pay at least sixteen percent (16%) of the  
17 educational and general costs, excluding financial aid, of the average cost of  
18 undergraduate education by level of institution.

19 (b) The Board of Governors of The University of North Carolina shall  
20 develop and implement plans to phase in the attainment of the level of student  
21 contribution set forth in subsection (a) of this section. The phasing in shall begin by the  
22 1994-95 academic year and be completed by the 1998-99 academic year.

23 Sec. 3. (a) The General Assembly finds that tuition and required fees should  
24 be a limited amount of resident students' costs.

1 (b) The Board of Governors of The University of North Carolina shall  
2 develop a tuition and fee policy consistent with law that limits tuition and required fees  
3 to a specific percentage of less than one-fourth of the cost to undergraduate resident  
4 students of attending constituent institutions of The University of North Carolina. The  
5 Board shall define the elements of cost to be included in this policy's calculations and  
6 shall report these elements of cost to the General Assembly.

7 (c) The Board of Governors of The University of North Carolina shall  
8 develop a plan for providing increased State-funded need-based financial aid, with a  
9 strong emphasis on a grants program, commensurate with any increase in students'  
10 financial needs generated by tuition increases, to students at constituent institutions of  
11 The University of North Carolina.

12 (d) The Board of Governors of The University of North Carolina, in  
13 accordance with G.S. 116-143, shall develop higher tuition rates for graduate and  
14 professional programs. These rates shall be developed after specific analysis of the cost  
15 differences between undergraduate and graduate instruction. The new rates shall be  
16 based on this analysis.

17 Sec. 4. The Board of Governors of The University of North Carolina shall  
18 present its plan for implementing all the tuition increases pursuant to Sections 2 and 3 of  
19 this act to the General Assembly by April 1, 1994.

20 Sec. 5. G.S. 116-144 reads as rewritten:

21 **"§ 116-144. Higher tuition to be charged nonresidents.**

22 The Board of Governors shall fix the tuition and required fees charged nonresidents  
23 of North Carolina who attend the institutions enumerated in G.S. 116-4 at rates higher  
24 than the rates charged residents of North Carolina and comparable to the rates charged  
25 ~~nonresident students by comparable public institutions nationwide, except that a Carolina.~~  
26 Tuition shall be at rates from approximately seventy-five percent (75%) to one hundred  
27 percent (100%) of the educational and general costs of education for the different levels  
28 of institutions, taking into consideration the overall tuition and fee charges for  
29 comparable institutions in peer states, the need for diversity of the student body, and the  
30 mission of the institution. A person who serves as a graduate teaching assistant or  
31 graduate research assistant or in a similar instructional or research assignment and is at  
32 the same time enrolled as a graduate student in the same institution may, in the  
33 discretion of the Board of Governors, be charged a lower rate fixed by the Board,  
34 provided the rate is not lower than the North Carolina resident rate."

35 Sec. 6. G.S. 116-11(9)a. reads as rewritten:

36 "(9)

37 a. The Board of Governors shall develop,  
38 prepare and present to the Governor, the Advisory  
39 Budget Commission and the General Assembly a  
40 single, unified recommended budget for all of public  
41 senior higher education. The recommendations shall  
42 consist of requests in three general categories: (i) funds  
43 for the continuing operation of each constituent  
44 institution, (ii) funds for salary increases for  
employees exempt from the State Personnel Act and

1 (iii) funds requested without reference to constituent  
2 institutions, itemized as to priority and covering such  
3 areas as new programs and activities, expansions of  
4 programs and activities, increases in enrollments,  
5 increases to accommodate internal shifts and  
6 categories of persons served, capital improvements,  
7 improvements in levels of operation and increases to  
8 remedy deficiencies, as well as other areas. Funds to  
9 be generated from increases in tuition rates shall be  
10 applied to category (iii) in the budget proposal,  
11 including need-based financial aid in order to  
12 implement the Board's plan for providing State-funded  
13 need-based financial aid, and shall not supplant  
14 General Fund appropriations. The function of the  
15 Advisory Budget Commission under this section  
16 applies only if the Director of the Budget consults with  
17 the Commission in preparation of the budget."

18 Sec. 7. This act becomes effective July 1, 1993.